

# Carbon footprint disclosure

## Background

The Trustees commissioned Trucost to carry out an independent carbon footprint analysis of the Fund’s active equity mandates, based on the mandates’ underlying holdings data as at 31 March 2017. The purpose of the analysis was to provide the Trustees with an in-depth understanding of the carbon efficiency of these mandates, and identify areas in which to challenge the mandates’ manager, on how they assess carbon risk when researching stocks. In the table below, we show the weighted average (“WA”) carbon intensity for the Fund’s active mandates. The WA approach is in line with that recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”), with individual issuers’ carbon footprint weighted by the proportion of portfolio holdings.

## Carbon footprint results

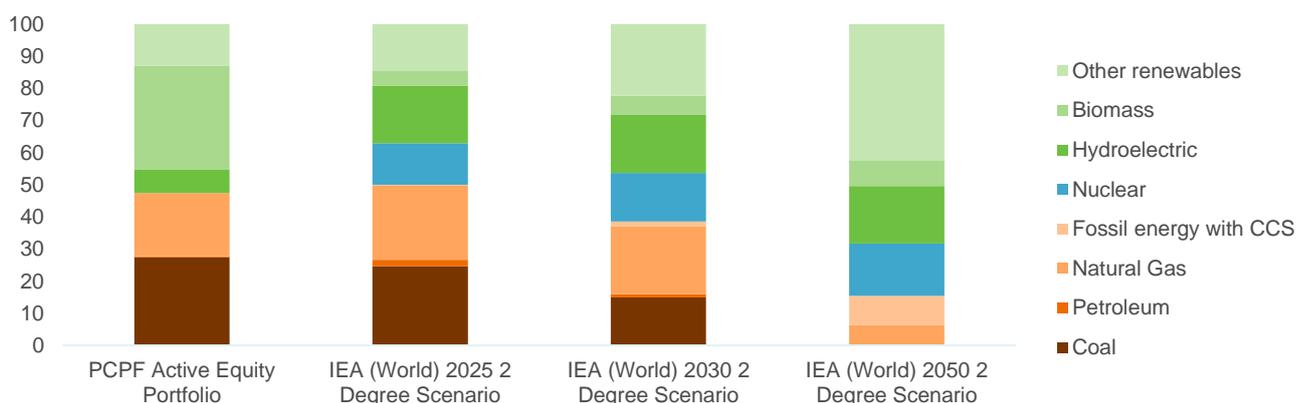
CO2e Intensity weighted average (tCO2e/GBPm)	UK Equity	Global Equity
PCPF Active Equity Portfolio	208.09	225.56
Benchmark index*	305.51	381.57
<b>Relative Efficiency</b>	<b>32%</b>	<b>41%</b>

\*FTSE All Share Index and MSCI AC World Index for the UK and Global Equity portfolios respectively. Source: Trucost

The results of the carbon footprint analysis indicate that the Fund’s UK Equity portfolio is 32% less carbon intensive than the FTSE All Share Index. The Fund’s Global Equity portfolio is 41% less carbon intensive than the broader global equity market. The Trustees have used the results of the carbon footprint analysis to engage with the manager on how they integrate ESG related risks in portfolio construction, most notably, carbon and climate change risks.

## 2 Degrees Generation Mix

Trucost’s report also provides the following comments on the aggregated portfolio’s energy generational mix



Source: Trucost

In their report, Trucost commented that:

*“Our assessment of the energy generation mix for the aggregate holdings shows that the aggregate portfolio’s current share of renewable power generation is currently in line with the 2025 IEA World 2-degree scenario”.*